

001

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				6. MINERAL LEASE NO: ML-47782	6. SURFACE: State
1A. TYPE OF WORK:    DRILL <input type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL:    OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____    SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: The Houston Exploration Company    Suite 2000				9. WELL NAME and NUMBER: Southman Canyon #14C-36	
3. ADDRESS OF OPERATOR: 1100 Louisiana    CITY Houston    STATE TX    ZIP 77002			PHONE NUMBER: (713) 830-6800		
4. LOCATION OF WELL (FOOTAGES)  AT SURFACE: 648' FSL 1717' FWL AT PROPOSED PRODUCING ZONE: 648' FSL 1717' FWL				10. FIELD AND POOL, OR WILDCAT: <i>Southman Canyon Gas Field</i> 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 36 9 S 23E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 46.4 miles from Vernal, UT				12. COUNTY: Uintah	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 648' FSL 1717' FWL				17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 4224' +/-				20. BOND DESCRIPTION: 10455043	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,384.2 GR				23. ESTIMATED DURATION: 30 days	
19. PROPOSED DEPTH: 8,140				22. APPROXIMATE DATE WORK WILL START: 7/1/2004	

24. PROPOSED CASING AND CEMENTING PROGRAM						
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT		SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4	9 5/8	36#	2000	Premium Lite II	250 sks	3.38cu ft/sk    11.0 ppg
7 7/8	4 1/2	11.6#	TD	Premium Lite II	200 sks	3.38 cu ft/sk    11.0 ppg

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) William A Ryan *William A Ryan* TITLE Agent

SIGNATURE \_\_\_\_\_ DATE 5/27/2004

(This space for State use only)

API NUMBER ASSIGNED: 43-047-35770

(11/2001)

**Approved by the**  
**Utah Division of**  
**Oil, Gas and Mining**

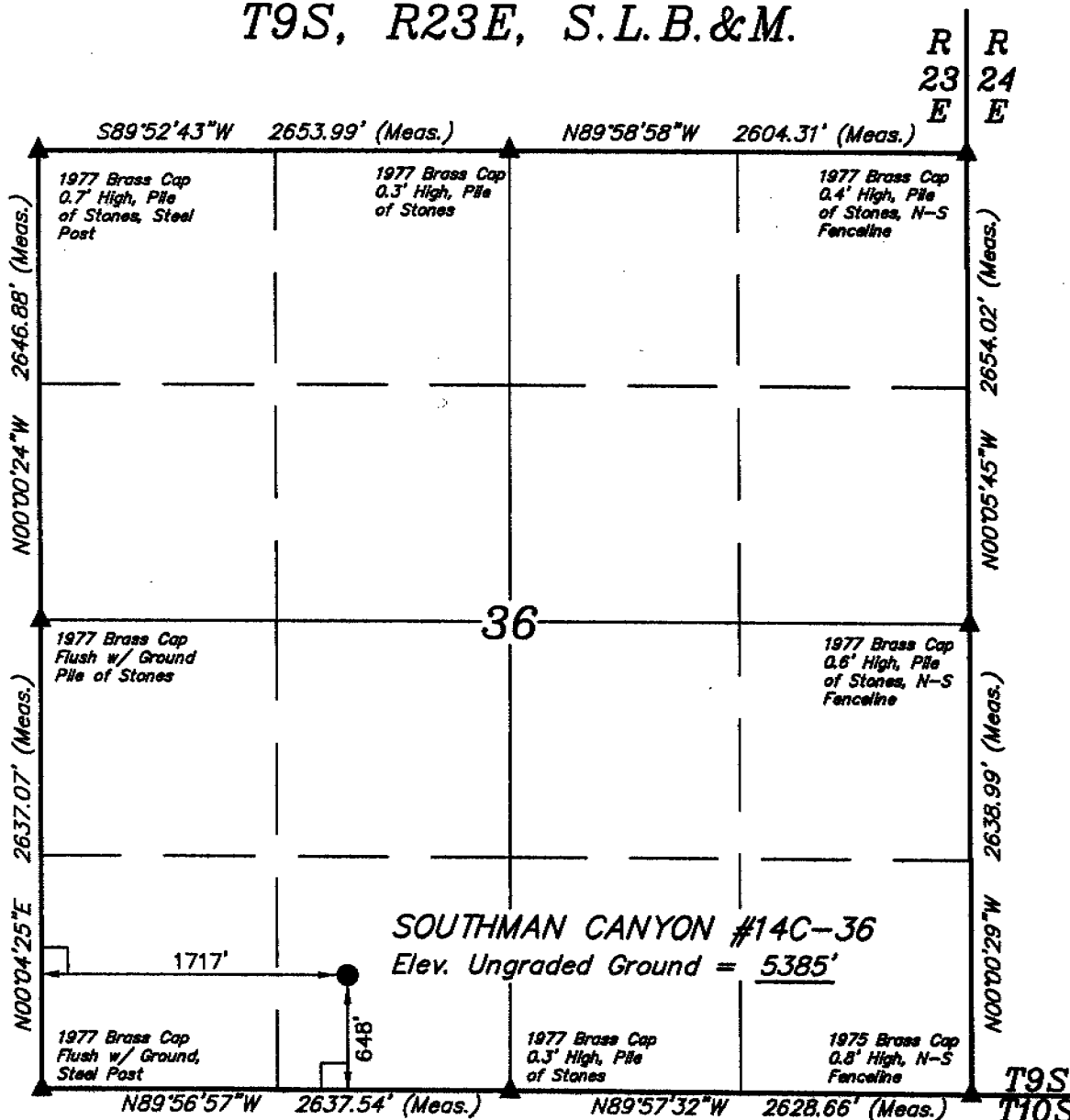
Data: 07-28-04  
By: *[Signature]*

RECEIVED

JUN 01 2004

DIV. OF OIL, GAS &amp; MINING

T9S, R23E, S.L.B.&M.



**LEGEND:**

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 39°59'13.21" (39.987003)

LONGITUDE = 109°16'43.27" (109.278686)

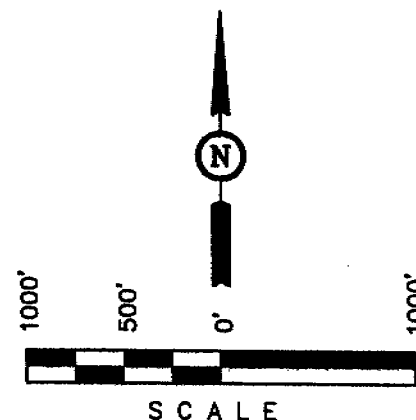
**BASIS OF BEARINGS**

**THE HOUSTON EXPLORATION COMPANY**

Well location, SOUTHMAN CANYON #14C-36, located as shown in the SE 1/4 SW 1/4 of Section 36, T9S, R23E, S.L.B.&M. Uintah County, Utah.

**BASIS OF ELEVATION**

BENCH MARK (54EAM) LOCATED IN THE NW 1/4 OF SECTION 14, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5031 FEET.



**CERTIFICATE**

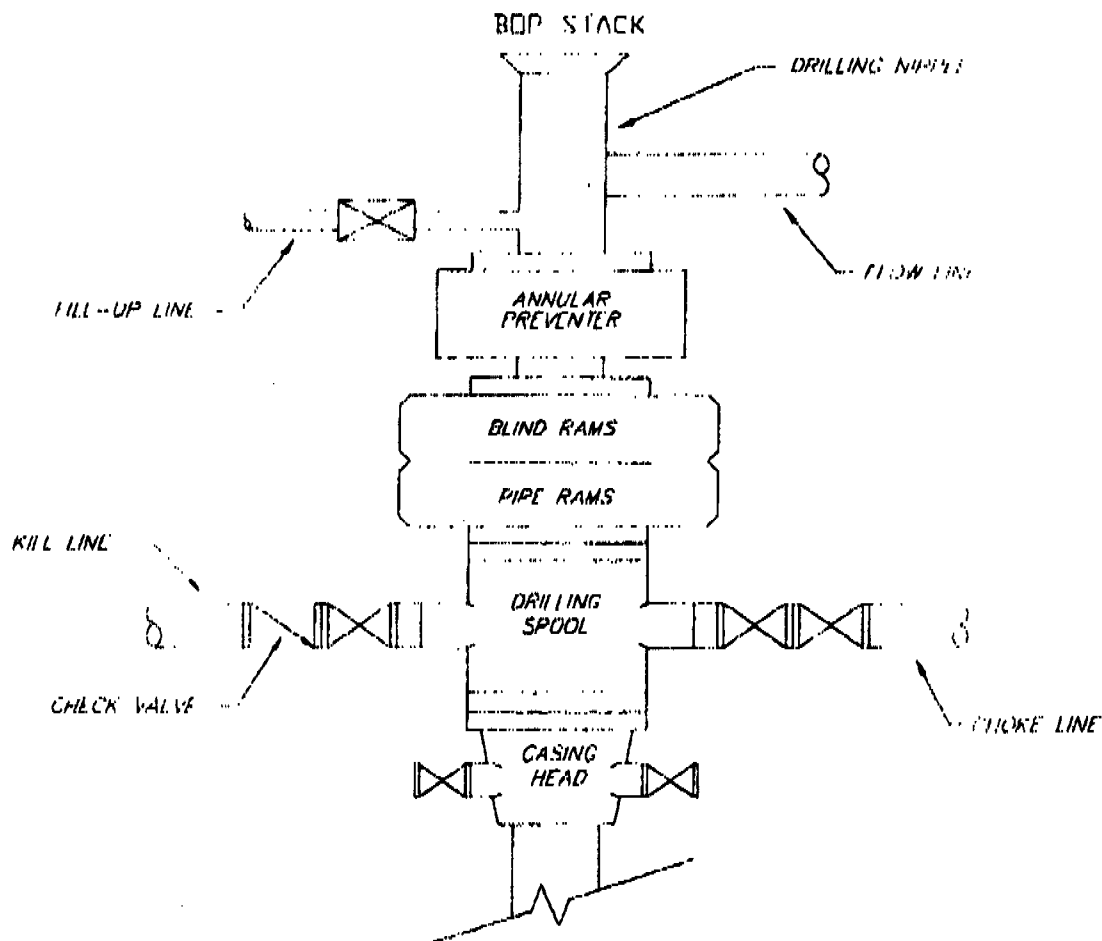
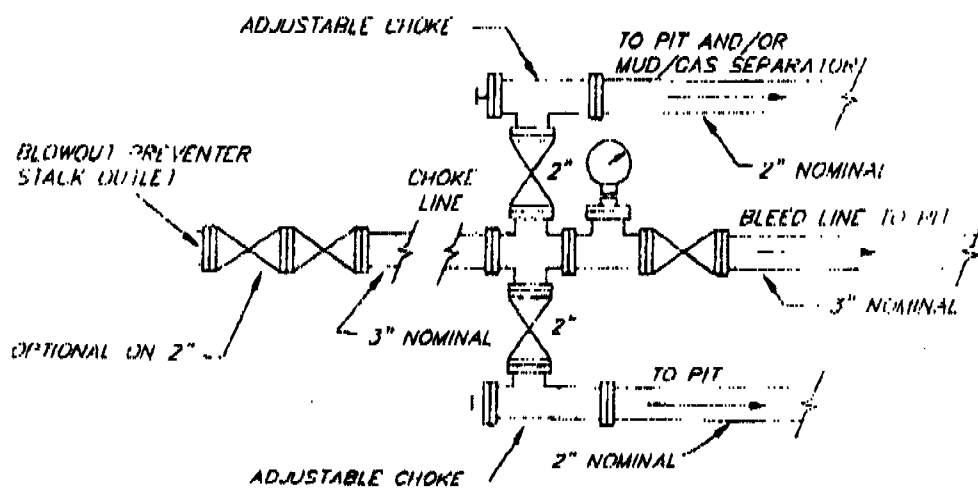
THIS IS TO CERTIFY THAT THE SURVEY PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ROBERT K. JENSEN  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

**UINTAH ENGINEERING & LAND SURVEYING**  
86 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 04-06-04	DATE DRAWN: 04-18-04
PARTY S.H. L.M. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE THE HOUSTON EXPLORATION COMPANY	

## THE HOUSTON EXPLORATION COMPANY

TYPICAL 3,000 p.s.i.  
BLOWOUT PREVENTER SCHEMATICTYPICAL 3,000 p.s.i.  
CHOKER MANIFOLD SCHEMATIC

**Ten Point Plan****The Houston Exploration Company**

Southman Canyon #14C-36

Surface Location SE ¼ SW1/4, Section 36, T. 9S., R. 23 E.

**1. Surface Formation**

Green River

**2. Estimated Formation Tops and Datum:**

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+5,384.2' G.L.
Uteland Butte Limestone	3,946	+1,238.2'
Wasatch	4,080	+1,304.2'
Mesaverda	5,747	-362.8'
Buck Tounge	8,080	-2,695.8'
Castlegate	8,152	-2,767.8'
Mancos	8,447	-3,062.8'
TD	8,140	-2,755.8'

A 12 ¼ hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

**3. Producing Formation Depth:**

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information:

Off set well: None

#### 4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade Weight/FT</u>	<u>Setting &amp; Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 ¼	9 5/8	36#	J-55/STC	2400	NEW
7 7/8	4 ½	11.6#	M-55/LTC	T.D.	NEW

#### Cement Program:

The Surface Casing will be cemented to the Surface as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	9 5/8	Primium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% bwoc Bentonite .5% bwoc Sodium Metasilicate 3% bwow Potassium Chloride	250 sks. +/-	3.38ft³/sk	11.0 ppg
Tail:	9 5/8	Class "G" 2% bwoc Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft³/sk	15.6 ppg
Top Job:	9 5/8	4% Chloride .25#/sk Flocale	200 sks. +/-	1.10ft³/sk	4.8 ppg

Production casing will be cemented to 2,500' or higher as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
<b>Lead:</b>					
	4 1/2	Primium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% bwow Potassium Chloride .055 gps FP-6L 10% bwoc Bentonite .5 bwow Sodium Metasilicate	200 sks +/-	3.38ft³/sk	11.0 ppg
<b>Tail:</b>					
	4 1/2	Class "G" .05% bwoc Static Free 2 bwow Sodium Chloride .1% bwoc R-3 2% bwoc Bentonite	400 sks +/-	1.56ft³/sk	14.3 ppg

##### **5. BOP and Pressure Containment Data:**

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

##### **6. Mud Program:**

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-300	Air/Clear Water	-----	No Control	Water/Gel
300-2500	Clear Water	-----	No Control	Water/Gel
2500-T.D.	8.4-8.6 (12.0)	30	8-10	Water/Gel

## **7. Auxiliary Equipment**

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

## **8. Testing, Coring, Sampling and Logging:**

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging: 

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

## **9. Abnormalities (including sour gas):**

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H<sub>2</sub>S.

## **10. Drilling Schedule:**

The anticipated starting date is July 1, 2004. Duration of operations is expected to be 30 days.

**The Houston Exploration Company**

**13 Point**

**Southman Canyon 14C-36**

**Sec. 36, T 9S, R23E**

**ML-47782**

**Bond # 10455043**



### 1. Existing Roads:

To reach The Houston Exploration Company well Southman Canyon #14C-36 in Section 36, T 9 S, R23 E, from Vernal, Utah:  
Starting in Vernal, Utah.

Proceed in an Easterly, then Southeasterly direction from Vernal, Utah along U.S. Highway 40 approximately 3.9 miles to the junction of State Highway 45; Exit right and proceed in a Southerly, then Southeasterly direction approximately 34.0 miles on State Highway 45 to the junction of this road and an existing road to the Southwest; turn right and proceed in a Southwesterly direction approximately 3.2 miles to the junction of this road and an existing road to the Northwest; turn right and proceed in a Northwesterly direction approximately 0.2 miles to the junction of this road and an existing road to the West; turn left and proceed in a Westerly, then Southwesterly direction approximately 4.5 miles to the junction of this road and an existing road to the North; turn right and proceed in a Northerly direction approximately 0.6 miles to the beginning of the proposed access to the East; Follow the road flags in an Easterly direction approximately 25' to the proposed location.

Total distance form Vernal, Utah to the proposed well location is approximately 46.4 miles.

Total distance from Vernal, UT to the proposed well location is approximately 63.5 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

### 2. Planned access road

Will use existing roads to existing location. The road will be graded once per year minimum and maintained.

A) Approximate length	25 ft
B) Right-of-Way width	30 ft.
C) Running surface	18 ft.
D) Surface material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road Flagged	Yes
K) Access road surface ownership	
	State of Utah
L) All new construction on lease	yes
M) Pipe line crossing	None

Please see the attached location plat for additional details.

A right of way will not be required. All surface disturbance for the road and location will be within the Unit and within the lease boundary.

### 3. Location of existing wells

The following wells are located within a one mile radius of the location site.

- A) Producing well  
Southman Canyon 2D-36
- B) Water well None
- C) Abandoned well None
- D) Temp. abandoned well None
- E) Disposal well None
- F) Drilling /Permitted well  
Southman Canyon 16C-36  
Southman Canyon 8C-36  
Southman Canyon 10D-36  
Southman Canyon 6D-36  
Southman Canyon 12D-36  
Southman Canyon 4D-36
- G) Shut in wells None
- H) Injection well None
- I) Monitoring or observation well  
None

Please see the attached map for additional details.

#### 4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a Juniper Green color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Juniper Green.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest

tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

The gas meter run will be located within 500' of the well head. The gas line will be buried or anchored down from the well head to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedule. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API ( American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

**5. Location and type of water supply**

Water for drilling and cementing will come from the White River at the Bonanza Bridge. T75476

**6. Source of construction materials**

All construction material for this location site and access road shall be borrowed material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

**7. Methods for handling waste disposal**

**A) Pit construction and liners:**

The reserve pit will be approximately 12 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will not be lined unless the pit is blasted or soil conditions would warrant a pit liner.

The reserve pit will not be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

**B) Produced fluids:**

Produced water will be confined to the reserve pit, or in deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

**C) Garbage:**

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

**D) Sewage:**

A portable chemical toilet will be supplied for human waste.

**E) Site clean-up:**

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

**8. Ancillary facilities**

There are no ancillary facilities planned at this time and none are foreseen for the future.

**9. Well-site layout**

Location dimensions are as follows:

- |               |         |
|---------------|---------|
| A) Pad length | 330 ft. |
| B) Pad width  | 240 ft. |

- C) Pit depth 12 ft.
- D) Pit length 147 ft.
- E) Pit width 75 ft.
- F) Max cut 34.4 ft.
- G) Max fill 6.5 ft
- H) Total cut yds. 16,620 cu yds
- I) Pit location east side
- J) Top soil location west & South end
- K) Access road location west end
- L) Flare Pit corner B

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

#### 10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,790 cubic yards of material.

Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rain fall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified. And left with a rough surface.

A) Seeding dates:

Seed will be spread when top-soil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

Four wing salt brush	4#/acre
Shad scale	3#/acre
Needle & thread grass	3#/acre
Western wheat grass	2#/acre

11. Surface ownership:

Access road	State of Utah
Location	State of Utah
Pipe line	State of Utah

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of sage brush. Rabbit brush, bitter brush, and Indian rice grass are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would affect such sites will be suspended and the discovery reported promptly to the surface management agency.

**D) Water:**

The nearest water is the White River located 2 miles to the South.

**E) Chemicals:**

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

**F) Notification:**

- a) Location Construction  
At least forty-eight (48) hours prior to construction of location and access roads.
- b) Location completion  
Prior to moving on the drilling rig.
- c) Spud notice  
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing  
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests  
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice  
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

**G) Flare pit:**

The flare pit will be located in corner B of the reserve pit outside the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

**13. Lessees or Operator's representative and certification**

**A) Representative**

William A. Ryan

Rocky Mountain Consulting

Vernal, UT 84078

Office 435-789-0968

Fax 435-789-0970

Cellular 435-828-0968

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year

furnished to the field  
representative to ensure  
compliance.

This drilling permit will be  
valid for a period of one year  
from the date of approval.  
After permit termination, a new  
application will be filed for  
approval for any future  
operations.

B) Certification:

I hereby certify that I, or persons  
under my direct supervision, have  
inspected the proposed drill-site  
and access route, that I am  
familiar with the conditions which  
presently exist, that the statements  
made in this plan are, to the best  
of my knowledge and belief, true  
and correct, and that the work  
associated with the operation  
proposed herein will be  
performed by The Houston  
Exploration Company and its  
contractors and subcontractors  
in conformity with this plan and  
terms and conditions with this  
plan and the terms and conditions  
under which it is approved.

Date 5/28/04



William A. Ryan, Agent  
Rocky Mountain Consulting

Onsite Dates:

## **Statement of use of Hazardous Materials**

No chemical(s) from the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986. Will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored transported, disposed, or associated with the proposed action.

If you require additional information please contact.

William A Ryan  
Agent for The Houston Exploration Company  
Rocky Mountain Consulting  
350 S. 800 E.  
Vernal UT 84078

435-789-9068 Office  
435-828-968 Cell  
435-789-0970 Fax



# THE HOUSTON EXPLORATION COMPANY

**SOUTHMAN CANYON #14C-36**

LOCATED IN UINTAH COUNTY, UTAH

SECTION 36, T9S, R23E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

4 13 04  
MONTH DAY YEAR

PHOTO

TAKEN BY: S.H. | DRAWN BY: J.L.G. | REVISED: 00-00-00

SOUTHMAN CANYON #14C-36  
SECTION 36, T9S, R23E, S.L.B.&M.  
648' FSL 1717' FWL

*F-6.5'*  
*El. 377.7'*

	Approx. Top of Fill	Type
10 A	79	Silt

*Reserve Pit Backfill  
& Spoils Stockpile*

**20' WIDE BENCH**

Sta. 0+18

C-8.2  
El. 392.4

Existing  
Drainage

**UINTAH ENGINEERING & LAND SURVEYING**  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

**FIGURE #1**

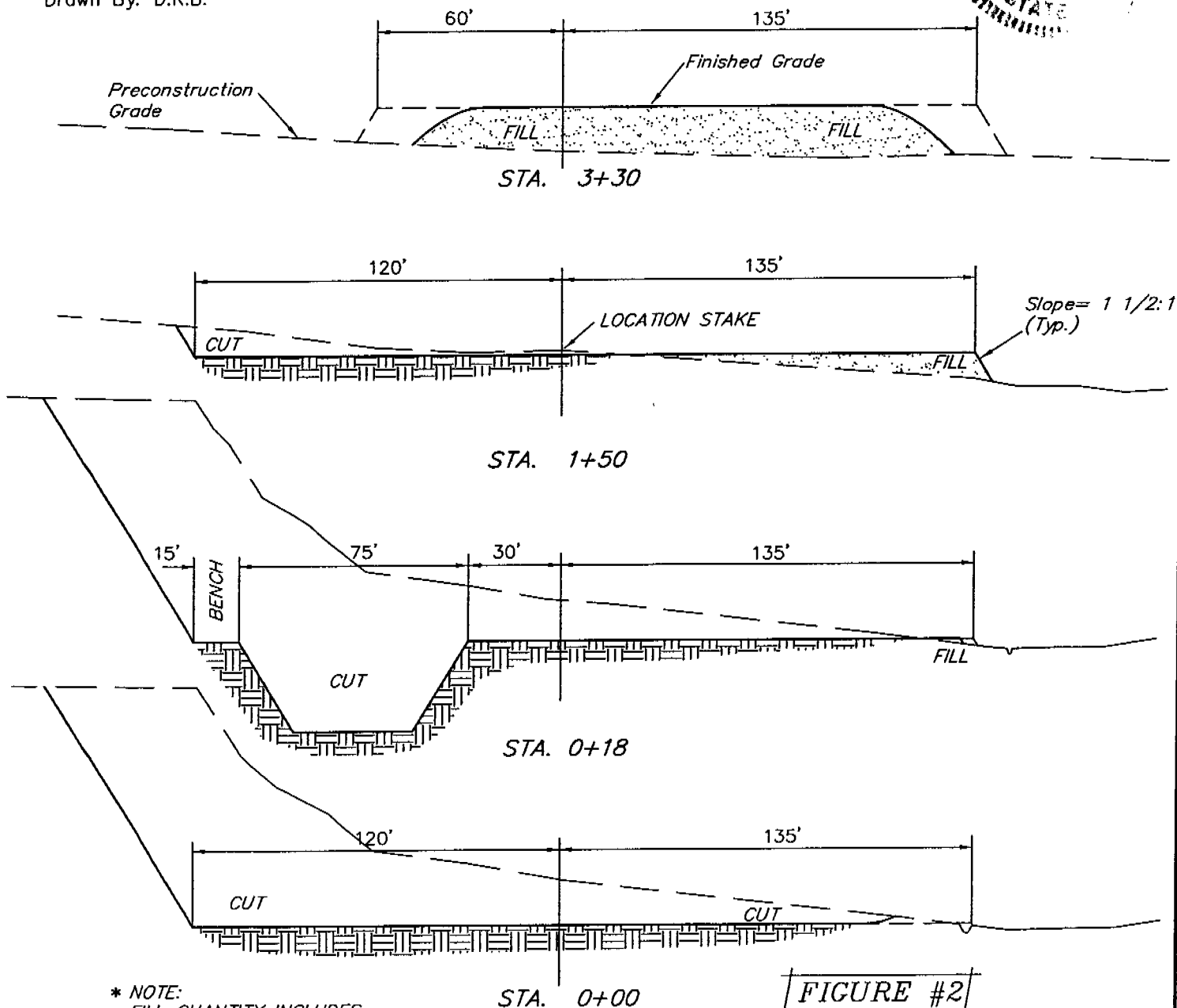
# THE HOUSTON EXPLORATION COMPANY

## TYPICAL CROSS SECTIONS FOR SOUTHMAN CANYON #14C-36 SECTION 36, T9S, R23E, S.L.B.&M. 648' FSL 1717' FWL



1" = 20'  
X-Section  
Scale  
1" = 50'

DATE: 04-21-04  
Drawn By: D.R.B.

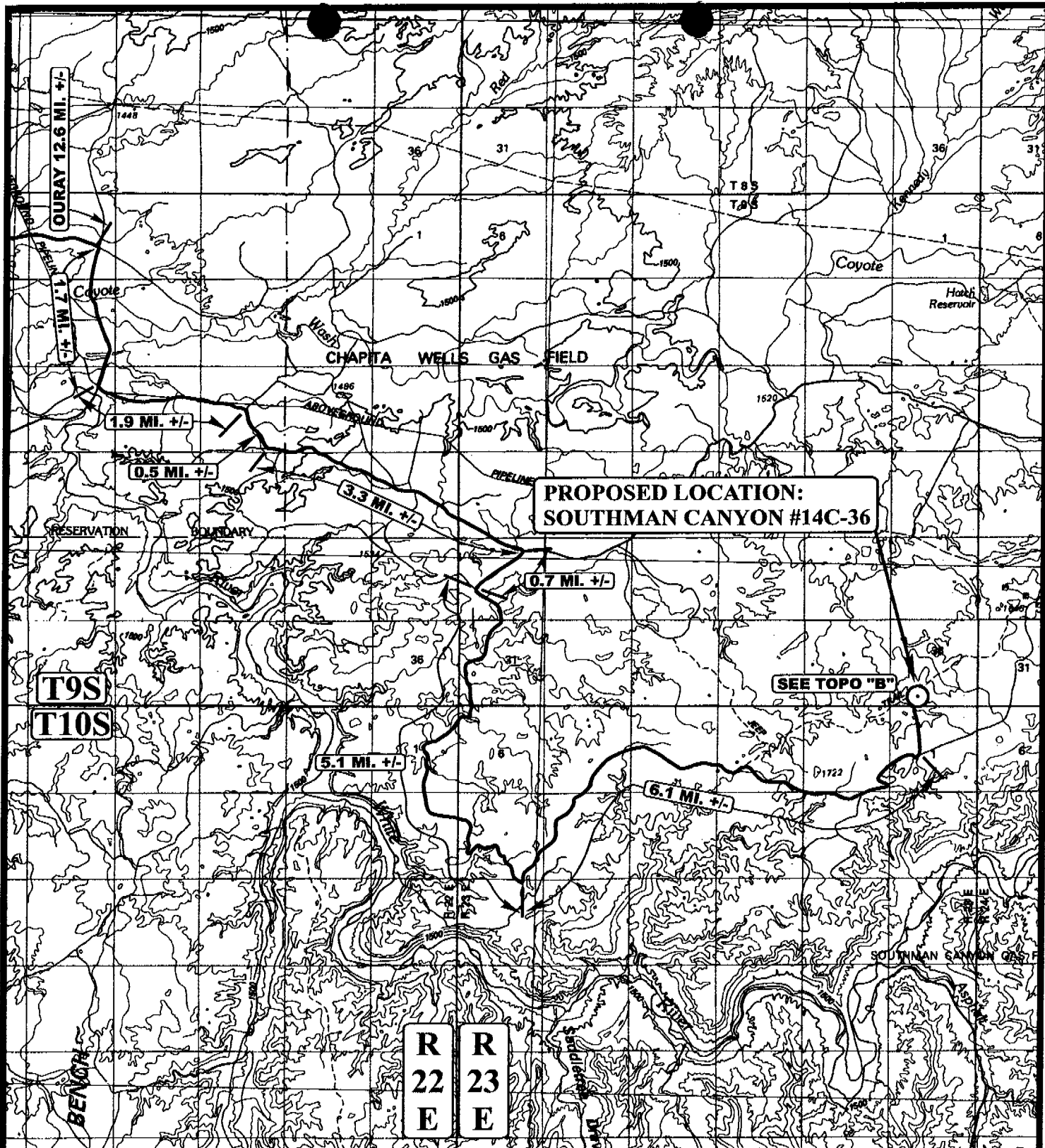


### APPROXIMATE YARDAGES

CUT  
(6") Topsoil Stripping = 1,790 Cu. Yds.  
Remaining Location = 14,830 Cu. Yds.  
  
TOTAL CUT = 16,620 CU.YDS.  
FILL = 6,140 CU.YDS.

EXCESS MATERIAL = 10,480 Cu. Yds.  
Topsoil & Pit Backfill = 3,450 Cu. Yds.  
(1/2 Pit Vol.)  
EXCESS UNBALANCE = 7,030 Cu. Yds.  
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017



# **LEGEND:**

○ PROPOSED LOCATION

N

## **THE HOUSTON EXPLORATION COMPANY**

**SOUTHMAN CANYON #14C-36**  
**SECTION 36, T9S, R23E, S.L.B.&M.**  
**648' FSL 1717' FWL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



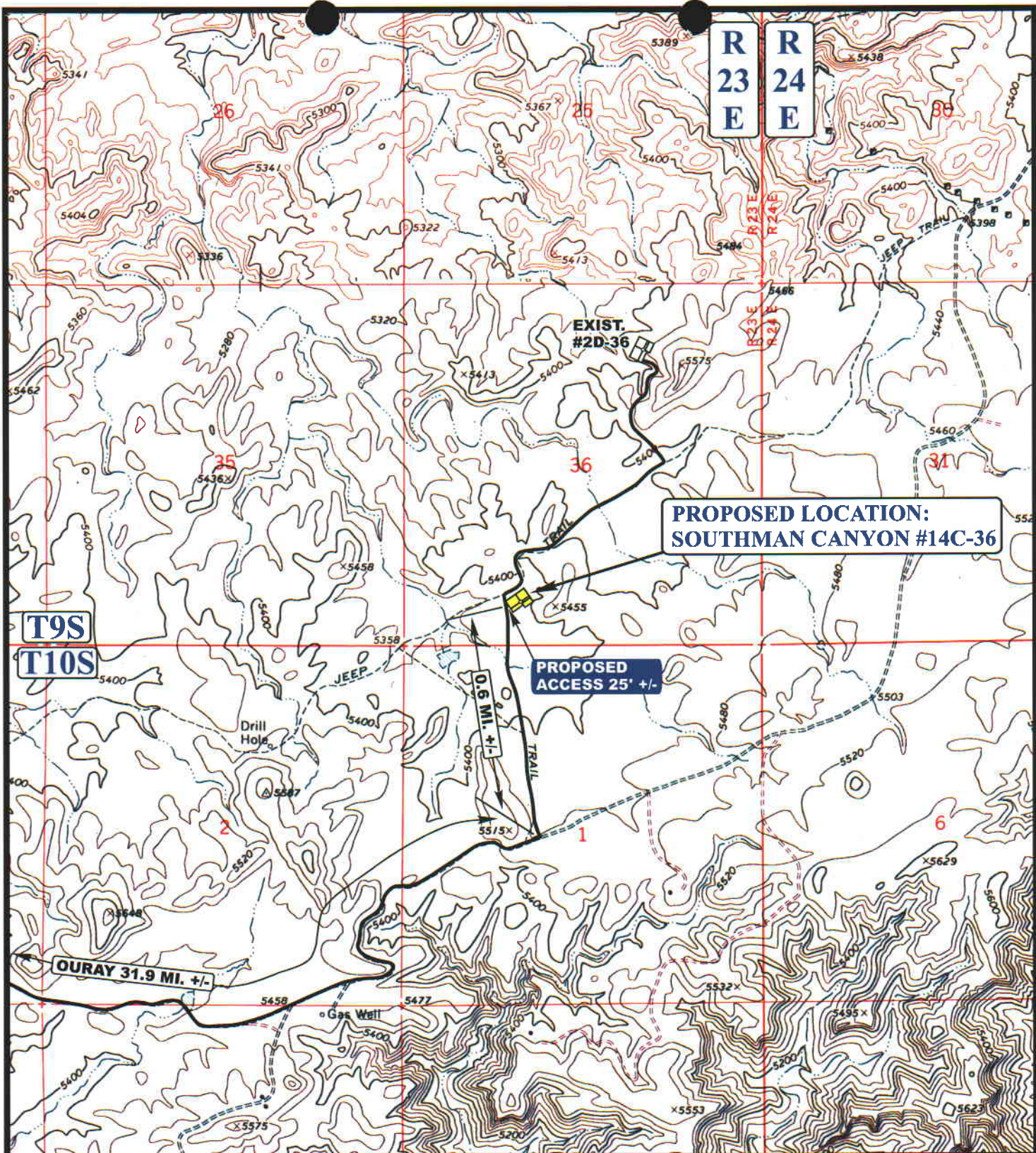
**TOPOGRAPHIC**  
**MAP**

**4 13 04**  
 MONTH DAY YEAR

**SCALE: 1:100,000** **DRAWN BY: J.L.G** **REVISED: 00-00-00**







# **LEGEND:**

EXISTING ROAD  
 PROPOSED ACCESS ROAD



## **THE HOUSTON EXPLORATION COMPANY**

**SOUTHMAN CANYON #14C-36**  
**SECTION 36, T9S, R23E, S.L.B.&M.**  
**648' FSL 1717' FWL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

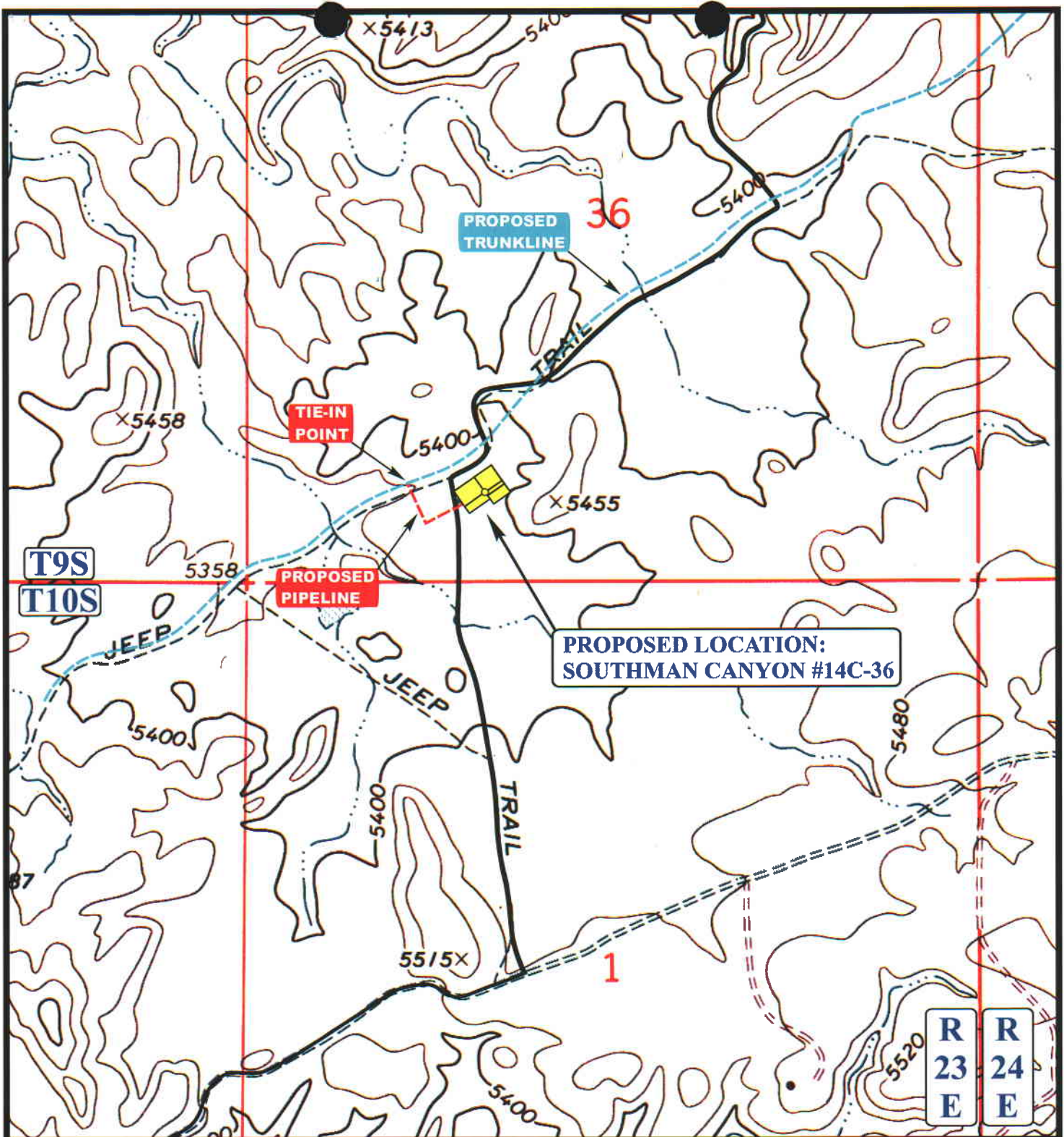
**TOPOGRAPHIC**  
**MAP**

**4 13 04**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00

**B**  
**TOPO**





**APPROXIMATE TOTAL PIPELINE DISTANCE = 600' +/-**

**LEGEND:**

- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- PROPOSED ACCESS



**THE HOUSTON EXPLORATION COMPANY**

**SOUTHMAN CANYON #14C-36  
SECTION 36, T9S, R23E, S.L.B.&M.  
648' FSL 1717' FWL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**4 13 04**  
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 00-00-00



003

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/01/2004

API NO. ASSIGNED: 43-047-35770

WELL NAME: SOUTHMAN CYN 14C-36

OPERATOR: HOUSTON EXPLORATION CO, ( N2525 )

CONTACT: WILLIAM RYAN

PHONE NUMBER: 435-789-9068

## PROPOSED LOCATION:

SESW 36 090S 230E

SURFACE: 0648 FSL 1717 FWL

BOTTOM: 0648 FSL 1717 FWL

UINTAH

NATURAL BUTTES ( 630 )

LEASE TYPE: 3 - State

LEASE NUMBER: ML-47782

SURFACE OWNER: 3 - State

PROPOSED FORMATION: MNCS

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKV	7/2/04
Geology		
Surface		

LATITUDE: 39.98689

LONGITUDE: 109.27812

## RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Fed[] Ind[] Sta[3] Fee[]  
                     (No. 10455043 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
                     (No. T75476 )  
☒ RDCC Review (Y/N)  
                     (Date: )  
☒ Fee Surf Agreement (Y/N)

## LOCATION AND SITING:

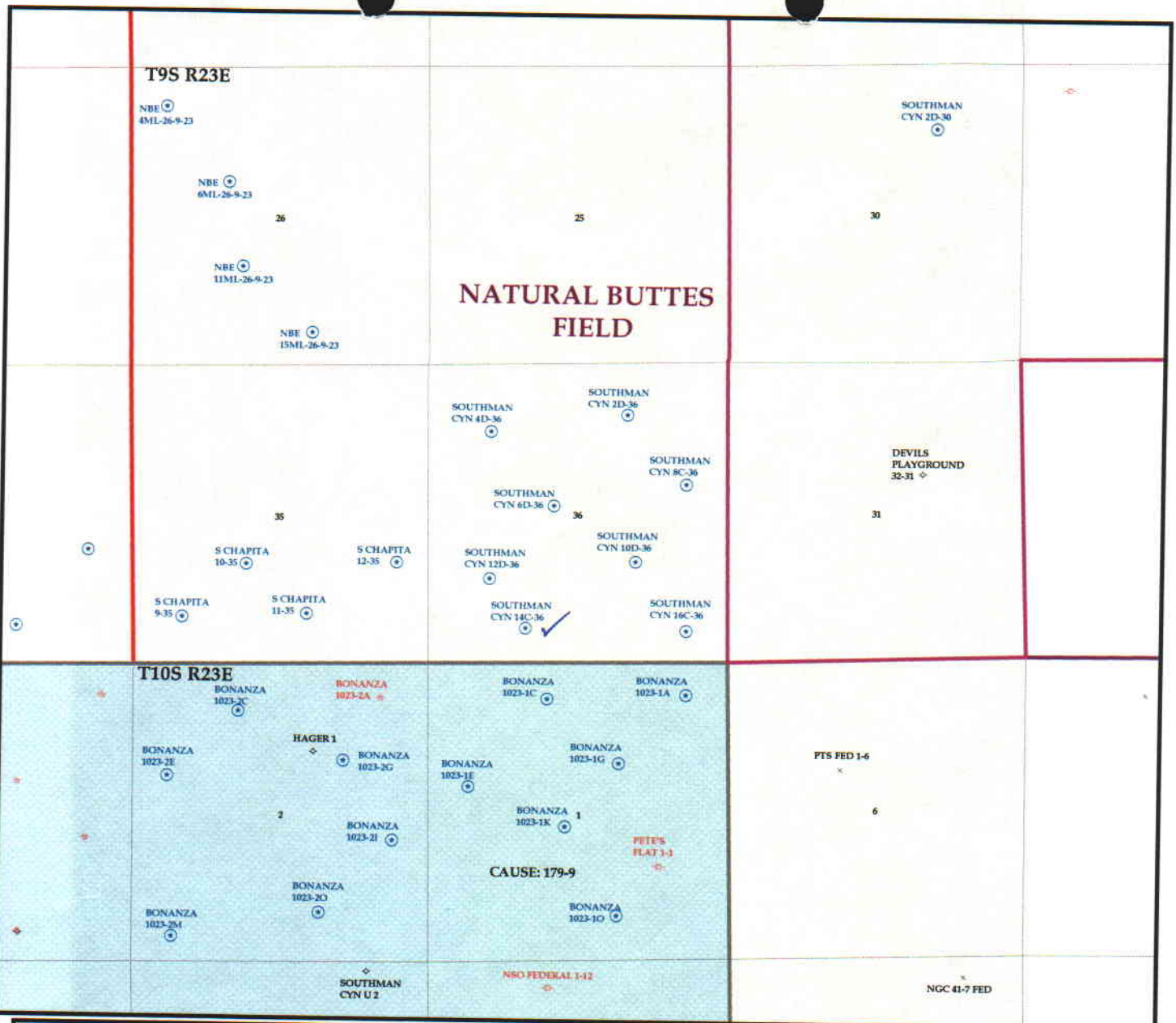
R649-2-3.  
 Unit \_\_\_\_\_  
 R649-3-2. General  
 Siting: 460 From Qtr/Qtr & 920' Between Wells  
☒ R649-3-3. Exception  
 Drilling Unit  
 Board Cause No: \_\_\_\_\_  
 Eff Date: \_\_\_\_\_  
 Siting: \_\_\_\_\_  
 R649-3-11. Directional Drill

## COMMENTS:

Needs Permit (06-17+04)

## STIPULATIONS:

1- Spacing Strip  
 2- Production casing cement should be brought above the Base of Mod Saline Groundwater ( $\pm 3400'$ )  
 3- STATEMENT OF BASIS



OPERATOR: HOUSTON EXPL CO (N2525)

SEC. 36 T.9S, R23E

FIELD: NATURAL BUTTES (630)

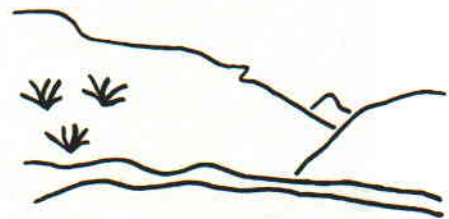
COUNTY: UINTAH

SPACING: R649-3 / EXCEPTION LOCATION

- Well Status**
- ♦ GAS INJECTION
  - ♦ GAS STORAGE
  - × LOCATION ABANDONED
  - ⊙ NEW LOCATION
  - ⊙ PLUGGED & ABANDONED
  - ♦ PRODUCING GAS
  - ♦ PRODUCING OIL
  - ♦ SHUT-IN GAS
  - ♦ SHUT-IN OIL
  - × TEMP. ABANDONED
  - TEST WELL
  - △ WATER INJECTION
  - ⊙ WATER SUPPLY
  - ⊙ WATER DISPOSAL

**Land Status**

- Private Not Cls
- Forest Service
- BLM
- State Lands
- Native American
- Private
- Military
- National Parks
- State Parks
- State Wilderness
- National Recreation
- US Wildlife
- Wilderness
- Bankhead Jones
- Sovereign Lands
- Water
- Intermittent Water
- Section Line
- Township Boundary



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 8-JUNE-2004



**DIVISION OF OIL, GAS AND MINING**  
**APPLICATION FOR PERMIT TO DRILL**  
**STATEMENT OF BASIS**

**OPERATOR:** THE HOUSTON EXPLORATION COMPANY  
**WELL NAME & NUMBER:** SOUTHMAN CANYON 14C-36  
**API NUMBER:** 43-047-35770  
**LOCATION:** 1/4,1/4 SE/SW Sec: 36 TWP: 9S RNG: 23E 1717' FWL 648' FSL

**Geology/Ground Water:**

The Houston Ex. Co. proposes to set 2000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 3,400 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

**Reviewer:** Brad Hill **Date:** 06-25-04

**Surface:**

The predrill investigation of the surface was performed on 06/17/04. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation on 06/14/04. Mr. Bartlett was present. He had no concerns regarding the construction of this location or the drilling of the well. SITLA did not have a representative present. This site is on State surface, with State minerals, and appears to be the best site for a location in the immediate area.

**Reviewer:** David W. Hackford **Date:** 06/17/2004

**Conditions of Approval/Application for Permit to Drill:**

None.

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

OPERATOR: THE HOUSTON EXPLORATION COMPANY  
WELL NAME & NUMBER: SOUTHMAN CANYON 14C-36  
API NUMBER: 43-047-35770  
LEASE: ML-47782 FIELD/UNIT: NATURAL BUTTES  
LOCATION: 1/4,1/4 SE/SW Sec: 36 TWP: 9S RNG: 23E 1717' FWL 648' FSL  
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 460 F ANOTHER WELL.  
GPS COORD (UTM): 647028E 4427527N SURFACE OWNER: STATE OF UTAH

**PARTICIPANTS**

DAVID W. HACKFORD (DOGM). FLOYD BARTLETT (DWR). BILL RYAN, GINGER STRINGHAM (HOUSTON). TWO DIRT CONTRACTORS.

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

SITE IS ON A BROKEN PLAIN THAT SLOPES GENTLY TO THE NORTHWEST, AND IS MODERATELY RUGGED WITH RIDGES, BUTTES, AND MODERATELY DEEP, INCISED DRAINAGES. MOST OF THIS REGION DRAINS BY A SERIES OF DENDRITIC STREAMS WHICH FLOW WEST TO THE WHITE RIVER. THIS SITE IS IN A VERY SHALLOW BASIN THAT SLOPES GRADUALLY TO THE WEST. THE IMMEDIATE AREA IS MODERATELY DISSECTED BY SHALLOW EROSIONAL CHANNELS THAT DRAIN TO THE NORTHWEST BEFORE TURNING TO THE WEST.

**SURFACE USE PLAN**

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 330' BY 240'. ACCESS ROAD WILL BE 25 FEET.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL TIE INTO A PROPOSED TRUNK LINE 100' WEST OF LOCATION.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

**WASTE MANAGEMENT PLAN:**

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: SAGE, GREASEWOOD, HORSEBRUSH, PRICKLY PEAR, SHADSCALE:  
ANTELOPE, RODENTS, RAPTORS, SONGBIRDS, BOBCAT, COYOTE, RABBITS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION.  
SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION  
SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

**RESERVE PIT**

CHARACTERISTICS: 147' BY 75' AND 12' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE  
REQUIRED FOR RESERVE PIT.

**SURFACE RESTORATION/RECLAMATION PLAN**

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY SAGEBRUSH  
ARCHEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON  
FILE.

**OTHER OBSERVATIONS/COMMENTS**

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A WARM, SUNNY DAY WITH NO  
SNOW COVER.

**ATTACHMENTS**

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

6/17/04, 10:30 AM  
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**      10      (Level III Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





# 06-04 Houston Southman 14C-36

## Casing Schematic

Uinter

Surface

9-5/8"  
MW 8.4  
Frac 19.3

TOC @  
-16.

Surface  
2000. MD

1358 TOC Tail

w/ 17% Washout

BHP

$$(0.52)(8.6)(840) = 3640$$

GAS

$$(.10)(840) = 977$$

$$MHSP = 2663$$

$$BOPE = 3,000 \quad \checkmark$$

$$\text{Surf/Csg} = 3520$$

$$70\% = 2464$$

Test to 2000 PSI  $\checkmark$

Adequate DUCS 7/2/04

3400 BMSW

★ STIP

4082 Wasatch

TOC @  
4281.

5747 Mesquite

w/ 15% Washout

6288 TOC Tail

4-1/2"  
MW 8.6

Production  
8140. MD

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 6/21/2004 11:06:45 AM  
**Subject:** Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

National Fuel Corporation  
Horse Point State 43-32

ChevronTexaco  
State of Utah "SS" 22-165

Westport Oil & Gas Company  
State 1022-32I (alternate location)  
State 1022-32M

The Houston Exploration Company  
Rock House 2D-36  
Rock House 2D-32  
Rock House 10D-32  
Rock House 12D-32  
Southman Canyon 8C-36  
Southman Canyon 14C-36  
Southman Canyon 16C-36

If you have any questions regarding this matter please give me a call.

**CC:** Garrison, LaVonne; Hill, Brad; Hunt, Gil



Well name:

**06-04 Houston Southman 14C-36**

Operator:

**The Houston Exploration Company**

String type:

**Surface**

Project ID:

**43-047-35770**

Location:

**Uintah County****Design parameters:****Collapse**

Mud weight: 8,400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 93 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 1,760 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 2,000 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 1,751 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 8,140 ft  
Next mud weight: 8,600 ppg  
Next setting BHP: 3,637 psi  
Fracture mud wt: 19,250 ppg  
Fracture depth: 2,000 ft  
Injection pressure 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	9.625	36.00	J-55	ST&C	2000	2000	8.796	142.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	2020	2.315	2000	3520	1.76	63	394	6.25 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

Phone: 801-538-5280  
FAX: 810-359-3940

Date: June 30, 2004  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>06-04 Houston Southman 14C-36</b>	
Operator:	<b>The Houston Exploration Company</b>	Project ID:
String type:	Production	43-047-35770
Location:	Uintah County	

**Design parameters:**
**Collapse**

Mud weight: 8.600 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 179 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft  
Cement top: 4,281 ft

**Burst**

Max anticipated surface pressure: 2,660 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 3,637 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.  
Neutral point: 7,094 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8140	4.5	11.60	M-65	LT&C	8140	8140	3.875	188.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3637	5560	1.529	3637	6320	1.74	82	188	2.28 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

Phone: 801-538-5280  
FAX: 801-359-3940

Date: June 30, 2004  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 8140 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 7/7/2004 9:50:16 AM  
**Subject:** Bonds & Leases

The following bonds and leases are OK:

CDX Rockies LLC      ML 46435      RLB 000 3066

The Houston Exploration Co      ML 47782      10455043

QEP Uintah Basin      ML 47046      965-003-032

July 21, 2004

RE: The Houston Exploration Company  
Southman Canyon 14C-36  
Sec. 36, T9S, R23E

Utah Division of Oil, Gas and Mining  
1549 West North Temple  
Suite 1210  
PO BOX 145801  
SLC, UT 84114



Dear Sir or Madam,

The Houston Exploration Company respectfully requests a spacing exception for the subject well. The well has been moved from the center of the forty acre spacing.

The well is located at 648' FSL & 1,717' FWL which has changed from the proposed location at 660' FSL & 1,980' FWL.

The location was moved due to topographic considerations, a drainage and access. Please see the plat maps.

The Houston Exploration Company is the only owner within a 460' radius.

If you have additional questions please contact William A Ryan, Agent

Sincerely,

Ginger Stringham



## State of Utah

Department of  
Natural ResourcesROBERT L. MORGAN  
*Executive Director*Division of  
Oil, Gas & MiningLOWELL P. BRAXTON  
*Division Director*OLENE S. WALKER  
*Governor*GAYLE F. McKEACHNIE  
*Lieutenant Governor*

July 28, 2004

Houston Exploration Company  
1100 Louisiana, Suite 2000  
Houston, TX 77002Re: Southman Canyon 14C-36 Well, 648' FSL, 1717' FWL, SE SW, Sec. 36,  
T. 9 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35770.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".  
John R. Baza  
Associate Directorpab  
Enclosurescc: Uintah County Assessor  
SITLA

**Operator:** Houston Exploration Company  
**Well Name & Number** Southman Canyon 14C-36  
**API Number:** 43-047-35770  
**Lease:** ML-47782

**Location:** SE SW                      **Sec.** 36                      **T.** 9 South                      **R.** 23 East

### **Conditions of Approval**

**1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**2. Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

**3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

**4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.**

**5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)**

**6. Production casing cement should be brought above the base of moderately saline ground water ( $\pm 3400'$ ).**

Page 2

API # 43-047-35770

July 28, 2004

7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

**DIVISION OF OIL, GAS AND MINING****SPUDDING INFORMATION**Name of Company: THE HOUSTON EXPLORATION COMPANYWell Name: SOUTHMAN CYN 14C-36Api No: 43-047-35770 Lease Type: STATESection 36 Township 09S Range 23E County UINTAHDrilling Contractor RIG #**SPUDDED:**Date 08/29/04Time How DRY**Drilling will commence:** Reported by REC WELL LOGS,HAD NO SPUD DATE,REQ SPUD DATE FR OPTelephone # 1-713-830-6938 (TERESA OVERTURT)Date 09/28/2004 Signed CHD



**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

007

**ENTITY ACTION FORM****RECEIVED****SEP 27 2004**Operator: The Houston Exploration CompanyOperator Account Number: N-2525  
DIV. OF OIL, GAS & MININGAddress: 1100 Louisiana, Suite 2000city Houstonstate TX zip 77002Phone Number: (713) 830-6800**Well 1**

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-047-35770	Southman Canyon 14C-36	SESW	36	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	14330	8/29/04	10/6/04		
Comments: <u>MNCS</u>						

**Well 2**

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

**Well 3**

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Theresa Overturf

Name (Please Print)

Signature

Engineering Technician 9/17/04

Title

Date

006

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 47782
2. NAME OF OPERATOR: The Houston Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1100 Louisiana, Ste 2000 CITY Houston STATE TX ZIP 77002		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (713) 830-6938		8. WELL NAME and NUMBER: Southman Canyon 14C-36
10. FIELD AND POOL, OR WILDCAT:		9. API NUMBER: 4304735770

## 4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1717' FWL , 648' FSL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 36 9S 23E

STATE: UTAH

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Log
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

## 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

9/1/04 - 9/30/04 Spud 8/29/04 &amp; drld to 1902'. Ran 8 5/8" csg, Set @ 1877' &amp; cmted. Drld to 8077'. Log.

NAME (PLEASE PRINT) Theresa Overturf

TITLE Engineering Technician

SIGNATURE

DATE 9/4/2004

(This space for State use only)

RECEIVED

OCT 06 2004

008

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

# SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 47782
2. NAME OF OPERATOR: The Houston Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1100 Louisiana, Ste 2000 CITY Houston STATE TX ZIP 77002		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1717' FWL, 648' FSL		8. WELL NAME and NUMBER: Southman Canyon 14C-36
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 36 9S 23E		9. API NUMBER: 4304735770
STATE: UTAH		10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Waiting On Pipeline</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

10/1/04-10/31/04 Perf 7580'-7817' and frac w/ 182,200# 20/40 sd. Perf 7142'-7356' and frac w/ 163,299# 20/40 sd. Flow back on 14/64"-20/64" ck, 1.9-4.0 MMCF, 20-33 BW. Hook up surface equipment. Waiting on Pipeline.

RECEIVED  
NOV 12 2004  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Theresa Overturf TITLE Engineering Technician  
SIGNATURE Theresa Overturf DATE 11/8/04

(This space for State use only)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8

(highlight changes)

010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐  
b. TYPE OF WORK: NEW WELL ☒ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER ☐  
2. NAME OF OPERATOR: The Houston Exploration Company  
3. ADDRESS OF OPERATOR: 1100 Louisiana, Ste 2000 City Houston STATE TX ZIP 77002 PHONE NUMBER: 713-830-6938  
4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 1717' FWL & 648' FSL  
AT TOP PRODUCING INTERVAL REPORTED BELOW:  
AT TOTAL DEPTH:

5. LEASE DESIGNATION AND SERIAL NUMBER: ML 47782  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
7. UNIT or CA AGREEMENT NAME  
8. WELL NAME and NUMBER: Southman Canyon 14C-36  
9. API NUMBER: 48-047-35770  
10. FIELD AND POOL, OR WILDCAT: Wildcat  
11. QTR/OTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW Sec 36, T9S, R23E  
12. COUNTY: Uintah  
13. STATE: UTAH

14. DATE SPURRED: 9/6/04  
15. DATE T.D. REACHED: 9/12/04  
16. DATE COMPLETED: 10/14/04  
17. ELEVATIONS (DF, RKB, RT, GL): 5384' GL  
18. TOTAL DEPTH: MD 8077' TVD  
19. PLUG BACK T.D.: MD 8013' TVD  
20. IF MULTIPLE COMPLETIONS, HOW MANY?  
21. DEPTH BRIDGE PLUG SET: MD  
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) CU/CAL/GR  
23. WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)  
WAS DST RUN? NO ☒ YES ☐ (Submit report)  
DIRECTIONAL SURVEY? NO ☒ YES ☐ (Submit copy)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
16"	13 3/8"	48#	Surface	40'		3 yds ready mix		Surface	
11"	8 5/8"	24#	Surface	1877'		845 sx		Surface	
7 7/8"	4 1/2"	11.60#	Surface	8058'		425 Prem Lt +		4040'	
						790 CL G	428.1		

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	7795'							

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Mesaverde	6849'	7030'			6849'-7030'		26	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) Mesaverde	7142'	7356'			7142'-7356'		49	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C) Mesaverde	7580'	7817'			7580'-7817'		86	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6849'-7030'	146,000# 20/40 sd
7142'-7356'	163,299# 20/40 sd
7580'-7817'	182,200# 20/40 sd

29. ENCLOSED ATTACHMENTS: ☒ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ CORE ANALYSIS ☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ OTHER:  
30. WELL STATUS: GWO pipeline

RECEIVED  
JAN 28 2005

## 31. INITIAL PRODUCTION

## All Intervals

## INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
	10/5/04	24		0	4100	26	Flow
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:
20/64		1725				0	WO pipeline

## INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

## INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

## INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

## 32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

## 33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Uteland Buttes Lmstn	3964'
				Wasatch	4068'
				Mesaverde	5754'
				Sego Sandstone	7973'

## 35. ADDITIONAL REMARKS (Include plugging procedure)

PLEASE KEEP WELL INFORMATION CONFIDENTIAL

## 36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Lloyd BruceTITLE Senior Operations EngineerSIGNATURE *Lloyd Bruce*DATE 1/17/05

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340  
Fax: 801-359-3940

009

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML 47782

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:

Southman Canyon 14C-36

2. NAME OF OPERATOR:

The Houston Exploration Company

9. API NUMBER:

4304735770

3. ADDRESS OF OPERATOR:

1100 Louisiana, Ste 2000

CITY

Houston

STATE

TX

ZIP

77002

PHONE NUMBER:

(713) 830-6938

10. FIELD AND POOL, OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1717' FWL &amp; 648' FSL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 36 9S 23E

STATE:

UTAH

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

☐ NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:

## TYPE OF ACTION

☐ ACIDIZE☐ ALTER CASING☐ CASING REPAIR☐ CHANGE TO PREVIOUS PLANS☐ CHANGE TUBING☐ CHANGE WELL NAME☐ CHANGE WELL STATUS☐ COMMINGLE PRODUCING FORMATIONS☐ CONVERT WELL TYPE☐ DEEPEN☐ FRACTURE TREAT☐ NEW CONSTRUCTION☐ OPERATOR CHANGE☐ PLUG AND ABANDON☐ PLUG BACK☒ PRODUCTION (START/RESUME)☐ RECLAMATION OF WELL SITE☐ RECOMPLETE - DIFFERENT FORMATION☐ REPERFORATE CURRENT FORMATION☐ SIDETRACK TO REPAIR WELL☐ TEMPORARILY ABANDON☐ TUBING REPAIR☐ VENT OR FLARE☐ WATER DISPOSAL☐ WATER SHUT-OFF☐ OTHER: \_\_\_\_\_

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

1/30/05 Production start

RECEIVED  
FEB 04 2005  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Theresa Overturf

TITLE Engineering Technician

SIGNATURE

DATE 1/31/2005

(This space for State use only)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <u>CONFIDENTIAL</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47782
2. NAME OF OPERATOR: The Houston Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1100 Louisiana, Suite 2000 CITY Houston STATE TX ZIP 77002		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 648' FSL & 1717' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 36 9S 23E		8. WELL NAME and NUMBER: Southman Canyon 14C-36
PHONE NUMBER: (713) 830-6800		9. API NUMBER: 4304735770
		10. FIELD AND POOL, OR WILDCAT: Natural Buttes
		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input checked="" type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

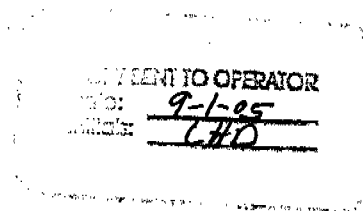
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator proposes to dewater the reserve pit on the subject well. Application for Permit to Drill approved trucking and disposal of the produced fluids. Operator proposes to evaporate, instead of trucking, water in the reserve pit to facilitate closing and reclamation of the reserve pit. Operator proposes to use a pumping system for evaporation.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 08-31-05

By: [Signature]



NAME (PLEASE PRINT) William A Ryan	TITLE Agent
SIGNATURE [Signature]	DATE 8/23/2005

(This space for State use only)

RECEIVED  
AUG 29 2005

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

The Houston Exploration Company *N2525*

3. ADDRESS OF OPERATOR:

1100 Louisiana, Ste 2000 CITY Houston

STATE TX

ZIP 77002

PHONE NUMBER:

(713) 830-6938

4. LOCATION OF WELL

FOOTAGES AT SURFACE: See Attached List

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

See Attached List

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:  
Effective  
9/1/05

☐ SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:

TYPE OF ACTION

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☒ OPERATOR CHANGE 9/1/05

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☐ OTHER: \_\_\_\_\_

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC Operator #N 2750 Utah State Bond #RLB0008031  
475 17th Street, Ste 1500  
Denver, CO 80202

Contact : Frank Hutto 303-350-5102

*Frank Hutto*  
Signature & Title

Date

*9/19/05*

*VP. OPS*

NAME (PLEASE PRINT) Joanne Hresko

TITLE Vice President/General Manager Onshore

SIGNATURE *Joanne Hresko*

DATE 9/2/2005

(This space for State use only)

**APPROVED** *9/29/2005*

*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(5/2000)

(Instructions on Reverse Side)

RECEIVED

SEP 26 2005

DIV. OF OIL, GAS & MINING



# TRANSFER OF OPERATOR

NATURAL BUTTES FIELD, UINTAH COUNTY, UTAH  
DRILLED WELLS, TO BE OPERATED BY ENDURING RESOURCES, LLC

API Well Number	Well Name	Well Status	Qtr/Qtr	Section	Township-Range	FNL/FSL	FEL/FWL	Latitude	Longitude
43047355550000	Bonanza #10D-18	SI	NWSE	18	9S-24E	1437 S	1800 E	40.03340	-109.25282
43047355510000	Bonanza #12D-12	Producing	NWSW	12	9S-23E	1556 S	867 W	40.04788	-109.28055
43047356930000	Bonanza #2D-27	Producing	NWNE	27	9S-24E	1064 N	1824 E	40.01123	-109.19600
43047359080000	Bonanza 10-11	Producing	NWSE	11	9S-23E	1991 S	1755 E	40.04866	-109.29035
43047356920000	Bonanza 10D-8	SI	NWSE	8	9S-24E	1510 S	1768 E	40.04789	-109.23383
43047355520000	Bonanza 1-11	Producing	NWNW	11	9S-23E	990 N	990 E	40.05431	-109.29891
43047359290000	Bonanza 12-20	Drig	NWSW	20	9S-25E	1998 S	825 W	40.01947	-109.13150
43047-359210000	Bonanza 12A-18	Producing	NWSW	18	9S-24E	2067 S	813 W	40.03430	-109.26242
43047359090000	Bonanza 14-12	Evaluating	SESW	12	9S-23E	505 S	2001 W	40.04455	-109.27693
43047359940000	Bonanza 4-18	WOPL	NWNW	18	9S-24E	706 N	682 W	40.04119	-109.26288
43047-356220000	Bonanza 4D-16	Producing	NWNW	16	9S-24E	1152 N	1209 W	40.04000	-109.22349
43047358600000	Bonanza 6-36	Producing	SENW	36	9S-24E	2217 N	2009 W	39.99336	-109.16393
43047359120000	Bonanza 6B-8	Producing	SENW	8	9S-24E	2017 N	1878 W	40.05213	-109.24004
43047359200000	Bonanza 8D-7	Producing	SENE	7	9S-24E	1992 N	477 E	40.05220	-109.24845
43047359050000	Buck Canyon 15-24	P&A	SW/SE	24	12S-21E	700 S	2139 E	39.75386	-109.5134
43047348150000	Cartwright 2-35	TA	NWNE	35	9S-24E	858 N	2104 E	39.99733	-109.17882
43047332510000	East Bench 11-16	WOC	NESW	16	11S-22E	S S	1980 W	39.85889	-109.46172
43047347560000	Hoss 15	Producing	SWSE	20	9S-25E	1291 S	2088 E	40.01767	-109.12236
43047348140000	Little Joe 11-7	TA	NENE	7	9S-25E	710 N	644 E	40.05562	-109.13601
43047361500000	Rainbow 14-17	WOC	SESW	17	11S-24E	780 S	1726 W	39.85689	-109.25731
43047361840000	Rainbow 2-16	WOC	NWNE	16	11S-24E	837 N	2136 E	39.86708	-109.23348
43047353630000	Southman Canyon 10D-36	Producing	NWSE	36	9S-23E	1757 S	1650 E	39.98991	-109.27148
43047353640000	Southman Canyon 12D-36	Producing	NWSW	36	9S-23E	1518 S	1069 W	39.98977	-109.28040
43047357700000	Southman Canyon 14C-36	Producing	SESW	36	9S-23E	648 S	1717 W	39.98689	-109.27716
43047357720000	Southman Canyon 16C-36	Producing	SESE	36	9S-23E	542 S	736 E	39.98607	-109.26912
43047356910000	Southman Canyon 2D-30	Producing	NWNE	30	9S-24E	1171 N	1502 E	40.01111	-109.25269
43047353650000	Southman Canyon 2D-36	Producing	NWNE	36	9S-23E	960 N	1751 E	39.99711	-109.27228
43047353610000	Southman Canyon 4D-36	Producing	NWNW	36	9S-23E	1163 N	1137 W	39.99623	-109.28012
43047353620000	Southman Canyon 6D-36	Producing	SENW	36	9S-23E	2466 N	2271 W	39.99336	-109.27635
43047357710000	Southman Canyon 8C-36	Producing	SENE	36	9S-23E	2185 N	694 E	39.99358	-109.26783
43047355590000	Thurston Federal #12-1	Producing	SESW	12	12S-21E	692 S	1959 W	39.78280	-109.51768

# TRANSFER OF OPERATOR BLM APPROVED WELLS #2

**PREVIOUS OPERATOR:** Houston Exploration Company

**NEW OPERATOR:** Enduring Resources, LLC

**EFFECTIVE DATE:** September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
<del>Asphalt Wash 19-7</del>	<del>SW/SW</del>	<del>7</del>	<del>11S</del>	<del>24E</del>	<del>UTU-73940</del>	<del>739' FSL &amp; 629' FWL</del>	<del>43-047-36234</del>
Bonanza 16-18	SE/SE	18	9S	24E	UTU-73457	861' FSL & 715' FEL	43-047-35992
Bonanza 4-11	NW/NW	11	9S	23E	UTU-74426	671' FNL & 729' FWL	43-047-35968
Bonanza 10D-12	NW/SE	12	9S	23E	UTU-74426	1,785' FSL & 1,855' FEL	43-047-35919
Bonanza 12-11	NW/SW	11	9S	23E	UTU-74426	1748' FSL & 420' FWL	43-047-35916
Bonanza 14-18	SE/SW	18	9S	24E	UTU-73457	472' FSL & 2,010' FWL	43-047-35993
Bonanza 14A-8	SE/SW	8	9S	24E	UTU-73457	907' FSL & 2,298' FWL	43-047-35952
Bonanza 16A-27	SE/SE	27	9S	24E	UTU-80571	862' FSL & 581' FEL	43-047-35923
Bonanza 2-21	NW/NE	21	8S	25E	UTU-73470	1,207' FNL & 1,541' FEL	43-047-35926
Bonanza 3-8	NW/NW	8	9S	24E	UTU-73457	573' FNL & 1,518' FWL	43-047-35966
Bonanza 6D-7	SE NW	7	9S	24E	UTU-73457	2,310' FNL & 2,310' FWL	43-047-35690
Bonanza 8-11	SE/NE	11	9S	23E	UTU-74426	2,163 FNL & 615' FEL	43-047-35907
Bonanza 8B-27	SE/NE	27	9S	24E	UTU-80571	1,830' FNL & 735' FEL	43-047-35923
Buck Camp 4-25	NW/NW	25	11S	22E	UTU-74424	804 FNL & 695 FWL	43-047-36276
Buck Camp 4-26	NW/NW	26	11S	22E	UTU-74974	660' FNL & 660' FWL	43-047-36274
Buck Canyon 1-24	NE/NE	24	12S	21E	UTU-73440	488' FNL & 833' FEL	43-047-35606
<del>Buck Canyon 15-24</del>	<del>SW/SE</del>	<del>24</del>	<del>12S</del>	<del>21E</del>	<del>UTU-73440</del>	<del>700' FSL &amp; 2,139' FEL</del>	<del>43-047-35985</del>
<del>Buck Canyon 7-24</del>	<del>SW/NE</del>	<del>24</del>	<del>12S</del>	<del>21E</del>	<del>UTU-73440</del>	<del>2,041' FNL &amp; 2,171' FEL</del>	<del>43-047-35904</del>
<del>Buck Canyon 9-24</del>	<del>NE/SE</del>	<del>24</del>	<del>12S</del>	<del>21E</del>	<del>UTU-73440</del>	<del>1784' FSL &amp; 855' FEL</del>	<del>43-047-35903</del>
Rainbow 1-17	NE/NE	17	11S	24E	UTU-73920	795' FNL & 586' FEL	43-047-36151
Southman Canyon #14-30	SE/SW	30	9S	24E	UTU-80571	740' FSL & 1,737' FWL	43-047-35914
Southman Canyon #4C-30	NW/NW	30	9S	24E	UTU-80571	676' FNL & 568' FWL	43-047-35913
Southman Canyon 12-30	NW/SW	30	9S	24E	UTU-80571	1,912' FSL & 513' FWL	43-047-36104
Southman Canyon 8-30	SE/NE	30	9S	24E	UTU-80571	1,875' FNL & 818' FEL	43-047-35994
Southman Canyon 9-30	NE/SE	30	9S	24E	UTU-80571	2,089' FSL & 831' FEL	43-047-36019

★ 43047-35906

• 43047-35953

# TRANSFER OF OPERATOR STATE OF UTAH APPROVED AND PENDING

43

**PREVIOUS OPERATOR:** Houston Exploration Company

**NEW OPERATOR:** Enduring Resources, LLC

**EFFECTIVE DATE:** September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number	FIELD	Well Type
Asphalt Wash 11-16-11-24	NESW	16	11S	24E	ML-73921	2000 FSL & 1900 FWL	43-047-37088	Undesignated	Gas
Asphalt Wash 12-16-11-24	NWSW	16	11S	24E	ML-47080	2060 FSL & 839 FWL	43-047-36873	Undesignated	Gas
Asphalt Wash 14-16-11-24	SESW	16	11S	24E	ML-47080	537 FSL & 2140 FWL	43-047-36876	Undesignated	Gas
Asphalt Wash 3-16-11-24	NENW	16	11S	24E	ML-47080	825 FNL & 2116 FWL	43-047-36886	Undesignated	Gas
Asphalt Wash 4-16-11-24	NWNW	16	11S	24E	ML-47080	521 FNL & 766 FWL	43-047-36885	Undesignated	Gas
Asphalt Wash 5-16-11-24	SWNW	16	11S	24E	ML-47080	1880 FNL & 630 FWL	43-047-37089	Undesignated	Gas
Asphalt Wash 7-16-11-24	SWNE	16	11S	24E	ML-47080	1781 FNL & 1676 FEL	43-047-36874	Undesignated	Gas
Asphalt Wash 8-16-11-24	SENE	16	11S	24E	ML-47080	1905 FNL & 642 FEL	43-047-36875	Undesignated	Gas
Bonanza 14-20	SESW	20	9S	25E	ML-45558	838' FSL & 1,922' FWL	43-047-35930	Chapita Wells	Gas
Bonanza 4-20	NWNW	20	9S	25E	ML-45558	933' FNL & 583 FWL	43-047-35924	Chapita Wells	Gas
Bonanza 4-29	NWNW	29	9S	25E	ML-45559	600' FNL & 596' FWL	43-047-36010	Chapita Wells	Gas
Bonanza 4-36	NWNW	36	9S	24E	ML-46527	258' FNL & 862' FWL	43-047-35861	Natural Buttes	Gas
Bonanza 6-20	SESW	20	9S	25E	ML-45558	2,178' FNL & 1,839' FWL	43-047-35928	Chapita Wells	Gas
<del>Buck Canyon 9-16-12-21</del>	<del>NESE</del>	<del>16</del>	<del>12S</del>	<del>21E</del>	<del>ML-47085</del>	<del>1980' FSL &amp; 660' FEL</del>	<del>43-047-37091</del>	<del>Buck Canyon</del>	<del>Gas</del>
Buck Canyon 11-16-12-21	NESW	16	12S	21W	ML-47085	NA	43-047-37119	Undesignated	Gas
Buck Canyon 13-16-21-21	SWSW	16	21S	21W	ML-47085	NA	43-047-37118	Undesignated	Gas
Buck Canyon 15-16-12-21	SWSE	16	12S	21W	ML-47085	NA	43-047-37120	Buck Canyon	Gas
East Bench 1-16	NENE	16	11S	22E	ML-46911	660' FNL & 660' FEL	43-047-36126	Undesignated	Gas
East Bench 15-16	SWSE	16	11S	22E	ML-46911	545' FSL & 1,848' FEL	43-047-36128	Undesignated	Gas
East Bench 3-16	NENW	16	11S	22E	ML-46911	832' FNL & 1,978' FWL	43-047-36125	Undesignated	Gas
East Bench 7-16	SWNE	16	11S	22E	ML-46911	1,909' FNL & 1,643' FEL	43-047-36127	Undesignated	Gas
East Bench 12-16-11-22	NWSW	16	11S	22E	ML-46911	1862 FSL & 838 FEL	43-047-37128	Undesignated	Gas
East Bench 13-16-11-22	SWSW	16	11S	22E	ML-46911	880 FSL & 750 FWL	43-047-37130	Undesignated	Gas
East Bench 14-16-11-22	SESW	16	11S	22E	ML-46911	848 FSL & 1930 FWL	43-047-37122	Undesignated	Gas
East Bench 16-16-11-22	SESE	16	11S	22E	ML-46911	663 FSL & 1055 FEL	43-047-37121	Undesignated	Gas
East Bench 2-16-11-22	NWNE	16	11S	22E	ML-46911	705 FNL & 2077 FEL	43-047-37125	Undesignated	Gas
East Bench 4-16-11-22	NWNW	16	11S	22E	ML-46911	760 FNL & 860 FWL	43-047-37126	Undesignated	Gas
East Bench 5-16-11-22	SWNW	16	11S	22E	ML-46911	1980 FNL & 758 FWL	43-047-37129	Undesignated	Gas
East Bench 6-16-11-22	SESW	16	11S	22E	ML-46911	1887 FNL & 2138 FWL	43-047-37124	Undesignated	Gas
East Bench 8-16-11-22	SENE	16	11S	22E	ML-46911	1880 FNL & 780 FEL	43-047-37127	Undesignated	Gas
East Bench 9-16-11-22	NESE	16	11S	22E	ML-46911	2035 FSL & 1422 FEL	43-047-37123	Undesignated	Gas
<del>Gusher 6-2</del>	<del>SESW</del>	<del>2</del>	<del>6S</del>	<del>19E</del>	<del>ML-49144</del>	<del>1550 FNL &amp; 1025 FWL</del>	<del>43-047-36963</del>	<del>Moffit Canal</del>	<del>Oil</del>
Hanging Rock 1-32	NENE	32	11S	23E	ML-47079	542' FNL & 690' FEL	43-047-36309	Undesignated	Gas
Little Pack Mountain 1-16	NWNW	16	12S	20E	ML-47082	609 FNL & 688 FEL	43-047-36981	Wildcat	Gas
Little Pack Mountain 7-32	SWNE	32	12S	20E	ML-47083	1792 FNL & 1797 FEL	43-047-36980	Wildcat	Gas
Rock House 12-36-10-23	NWSW	36	10S	23E	ML-47907	1844 FSL & 755 FWL	43-047-36534	Natural Buttes	Gas
Rock House 13-32-10-23	SWSW	32	10S	23E	ML-47063	564 FSL & 471 FWL	43-047-36411	Natural Buttes	Gas
Rock House 1-36-10-22	NENE	36	10S	22E	ML-47061	620 FNL & 850 FEL	43-047-36408	Natural Buttes	Gas
Rock House 3-36-10-22	NENW	36	10S	22E	ML-47061	934 FNL & 1783 FWL	43-047-36407	Natural Buttes	Gas
Rock House 4-32-10-23	SWNW	32	10S	23E	ML-47063	1406 FNL & 562 FWL	43-047-36412	Natural Buttes	Gas
Rock House 7-36-10-22	SWNE	36	10S	22E	ML-47061	2209 FNL & 2445 FEL	43-047-36409	Natural Buttes	Gas
<del>Rock House 9-32-10-23</del>	<del>NESE</del>	<del>32</del>	<del>10S</del>	<del>23E</del>	<del>ML-47063</del>	<del>2098 FSL &amp; 1042 FEL</del>	<del>43-047-36337</del>	<del>Natural Buttes</del>	<del>Gas</del>
Rockhouse #13-36	SWSW	36	10S	22E	ML-46907	486 FSL & 844' FWL	43-047-35902	Natural Buttes	Gas
Rockhouse 16-2	SESE	2	11S	23E	ML-47078	909' FSL & 748' FEL	43-047-36152	Rockhouse	Gas
Seep Springs 10-13-12-24	NWSE	13	12S	24E	ML-49275	1950 FSL & 1802 FEL	43-047-36634	Undesignated	Gas
Seep Springs 1-13-12-24	NENE	13	12S	24E	ML-49275	753 FNL & 487 FEL	43-047-36628	Undesignated	Gas
Seep Springs 15-11-12-24	SWSE	11	12S	24E	ML-49274	829 FSL & 2178 FEL	43-047-36626	Undesignated	Gas
Seep Springs 15-13-12-24	SWSE	13	12S	24E	ML-49275	622 FSL & 1806 FEL	43-047-36630	Undesignated	Gas
Seep Springs 16-11-12-24	SESE	11	12S	24E	ML-49274	659 FSL & 466 FEL	43-047-36625	Undesignated	Gas
Seep Springs 16-13-12-24	SESE	13	12S	24E	ML-49275	686 FSL & 640 FEL	43-047-36629	Undesignated	Gas
Seep Springs 2-13-12-24	NWNE	13	12S	24E	ML-49275	465 FNL & 1807 FEL	43-047-36627	Undesignated	Gas
Seep Springs 7-13-12-24	SWNE	13	12S	24E	ML-49275	FNL & FEL	43-047-36631	Undesignated	Gas
Seep Springs 8-13-12-24	SENE	13	12S	24E	ML-49275	1969 FNL & 642 FEL	43-047-36632	Undesignated	Gas
Seep Springs 9-13-12-24	NESE	13	12S	24E	ML-49275	663 FSL & 1960 FEL	43-047-36633	Undesignated	Gas
<del>Southman Canyon 11-36-9-23</del>	<del>NESW</del>	<del>36</del>	<del>9S</del>	<del>23E</del>	<del>ML-47782</del>	<del>1965 FSL &amp; 1953 FWL</del>	<del>43-047-36535</del>	<del>Natural Buttes</del>	<del>Gas</del>
<del>Southman Canyon 13-36-9-23</del>	<del>SWSW</del>	<del>36</del>	<del>9S</del>	<del>23E</del>	<del>ML-47782</del>	<del>467 FSL &amp; 825 FWL</del>	<del>43-047-36532</del>	<del>Natural Buttes</del>	<del>Gas</del>

# TRANSFER OF OPERATOR STATE OF UTAH APPROVED AND PENDING

**PREVIOUS OPERATOR:** Houston Exploration Company

**NEW OPERATOR:** Enduring Resources, LLC

**EFFECTIVE DATE:** September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number	FIELD	Well Type
Southman Canyon 1-36-9-23	NENE	36	9S	23E	ML-47782	681 FNL & 496 FEL	43-047-36537	Natural Buttes	Gas
Southman Canyon 15-36-9-23	SWSE	36	9S	23E	ML-47782	529 FSL & 1784 FEL	43-047-36529	Natural Buttes	Gas
Southman Canyon 3-36-9-23	NENW	36	9S	23E	ML-47782	464 FNL & 1815 FWL	43-047-36530	Natural Buttes	Gas
Southman Canyon 5-36-9-23	SWNW	36	9S	23E	ML-47782	2028 FNL & 499 FWL	43-047-36531	Natural Buttes	Gas
Southman Canyon 7-36-9-23	SENE	36	9S	23E	ML-47782	2184 FNL & 1994 FEL	43-047-36536	Natural Buttes	Gas
Southman Canyon 9-36-9-23	NESE	36	9S	23E	ML-47782	1978 FNL & 657 FEL	43-047-36533	Natural Buttes	Gas

# TRANSFER OF OPERATOR BLM PENDING WELLS

**PREVIOUS OPERATOR:** Houston Exploration Company

**NEW OPERATOR:** Enduring Resources, LLC

**EFFECTIVE DATE:** September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
<del>Asphalt Wash 13-6</del>	<del>SW/SW</del>	<del>6</del>	<del>11S</del>	<del>24E</del>	<del>UTU-73919</del>	<del>400' FSL &amp; 550' FWL</del>	
Asphalt Wash 10-9-11-24	NW SE	9	11S	24E	UTU-73920	1846 FSL & 1942 FEL	43-047-37071
Asphalt Wash 11-9-11-24	NE SW	9	11S	24E	UTU-73920	1799 FSL & 1782 FWL	43-047-37073
Asphalt Wash 12-6-11-24	NW SW	6	11S	24E	UTU-73919	1844 FSL & 683 FWL	43-047-37066
Asphalt Wash 14-6-11-24	SE SW	6	11S	24E	UTU-73919	704 FSL & 2123 FWL	43-047-37067
Asphalt Wash 14-9-11-24	SE SW	9	11S	24E	UTU-73920	460 FSL & 2115 FWL	43-047-37076
Asphalt Wash 15-9-11-24	SW SE	9	11S	24E	UTU-73920	804 FSL & 1990 FEL	43-047-37074
Asphalt Wash 16-9-11-24	SE SE	9	11S	24E	UTU-73920	826 FSL & 472 FEL	43-047-37075
Asphalt Wash 2-6-11-24	NW NE	6	11S	24E	UTU-73919	735 FNL & 1590 FEL	43-047-37061
Asphalt Wash 2-7-11-24	NW NE	7	11S	24E	UTU-73919	621 FNL & 2462 FEL	43-047-37068
Asphalt Wash 2-9-11-24	NW NE	9	11S	24E	UTU-73920	829 FNL & 1774 FEL	43-047-37070
Asphalt Wash 3-6-11-24	NE NW	6	11S	24E	UTU-73919	792 FNL & 1925 FWL	43-047-37062
Asphalt Wash 4-6-11-24	NW NW	6	11S	24E	UTU-73919	820 FNL & 1007 FWL	43-047-37063
Asphalt Wash 5-6-11-24	SW NW	6	11S	24E	UTU-73919	1738 FNL & 716 FWL	43-047-37064
Asphalt Wash 6-7-11-24	SE NW	7	11S	24E	UTU-73919	2013 FNL & 2241 FWL	43-047-37069
Asphalt Wash 7-6-11-24	SW NE	6	11S	24E	UTU-73919	1616 FNL & 1615 FEL	43-047-37065
Asphalt Wash 7-9-11-24	SE NE	9	11S	24E	UTU-73920	1883 FNL & 1854 FEL	43-047-37072
Asphalt Wash 1-7-11-24	NE NE	7	11S	24E	UTU-73919	426 FNL & 270 FEL	43-047-37084
Asphalt Wash 4-7-11-24	NW NW	7	11S	24E	UTU-73919	856 FNL & 860 FWL	43-047-37085
Asphalt Wash 7-7-11-24	SW NE	7	11S	24E	UTU-73919	1909 FNL & 1893 FEL	43-047-37087
Asphalt Wash 8-7-11-24	SE NE	7	11S	24E	UTU-73919	1998 FNL & 683 FEL	43-047-37086
Bonanza 4-7	NW/NW	7	9S	24E	UTU-73457	809' FNL & 670' FWL	43-047-36017
Bonanza 8-17	SW/NE	17	9S	24E	UTU-73457	1865' FNL & 584' FEL	43-047-36041
Bonanza 11-11-9-23	NE SW	11	9S	23E	UTU-74426	2036 FSL & 2043 FWL	43-047-36649
Bonanza 11-12-9-23	NE SW	12	9S	23E	UTU-74426	1799 FSL & 1948 FWL	43-047-36655
Bonanza 11-18-9-24	NE SW	18	9S	24E	UTU-73457	1785 FSL & 2133 FWL	43-047-36637
Bonanza 12-23-9-24	NW/SW	23	9S	24E	UTU-81311	1882 FSL & 699 FWL	43-047-36640
Bonanza 12-35	NW/SW	35	9S	24E	UTU 73459	1374' FSL & 858' FWL	43-047-36020
Bonanza 13-11-9-23	SW SW	11	9S	23E	UTU-74426	463 FSL & 773 FWL	43-047-36650
Bonanza 13-12-9-23	SW SW	12	9S	23E	UTU-74426	661 FSL & 656 FWL	43-047-36528
Bonanza 13-18-9-24	SW SW	18	9S	24E	UTU-73457	767 FSL & 583 FWL	43-047-36638
Bonanza 14-11-9-23	SE SW	11	9S	23E	UTU-74426	756 FSL & 1859 FWL	43-047-36651
Bonanza 14-23-9-24	SE/SW	23	9S	24E	UTU-81311	560 FSL & 1878 FWL	43-047-36641
Bonanza 15-11-9-23	SW SE	11	9S	23E	UTU-74426	660 FSL & 1980 FEL	43-047-36652
Bonanza 15-12-9-23	SW SE	12	9S	23E	UTU-74426	607 FSL & 1920 FEL	43-047-36656
Bonanza 15-18-9-24	SW SE	18	9S	24E'	UTU-73457	463 FSL & 2162 FEL	43-047-36639
Bonanza 16-12-9-23	SE SE	12	9S	23E	UTU-74426	855 FSL & 536 FEL	43-047-36657
Bonanza 16-8	SE/SE	8	9S	24E	UTU-73457	588' FSL & 524' FEL	43-047-36101
Bonanza 2-11-9-23	NW NE	11	9S	23E	UTU 74426	664 FNL & 1925 FEL	43-047-36643
Bonanza 2-12-9-23	NW NE	12	9S	23E	UTU-74426	743 FNL & 1962 FEL	43-047-36527
Bonanza 3-11-9-23	NE NW	11	9S	23E	UTU 74426	499 FNL & 1898 FWL	43-047-36644
Bonanza 3-12-9-23	NE NW	12	9S	23E	UTU-74426	734 FNL & 1866 FWL	43-047-36524
Bonanza 4-35	NW/NW	35	9S	24E	UTU 73459	789' FNL & 807' FWL	43-047-35925
Bonanza 5-11-9-23	SW NW	11	9S	23E	UTU 74426	1794 FNL & 609 FWL	43-047-36645

# TRANSFER OF OPERATOR BLM PENDING WELLS

**PREVIOUS OPERATOR:** Houston Exploration Company

**NEW OPERATOR:** Enduring Resources, LLC

**EFFECTIVE DATE:** September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
Bonanza 5-12-9-23	SW NW	12	9S	23E	UTU-74426	1996 FNL & 558 FWL	43-047-36526
Bonanza 5-18-9-24	SW NW	18	9S	24E	UTU-73457	2147 FNL & 662 FWL	43-047-36635
Bonanza 5-22	SW/NW	22	8S	25E	UTU-73470	1,932' FNL & 415' FWL	43-047-35918
Bonanza 5-24-9-24	SW/NW	24	9S	24E	UTU-73458	2167 FNL & 714 FWL	43-047-36642
Bonanza 6-11-9-23	SE NW	11	9S	23E	UTU-74426	2069 FNL & 1801 FWL	43-047-36646
Bonanza 6-12-9-23	SE NW	12	9S	23E	UTU-74426	2114 FNL & 1871 FWL	43-047-36525
Bonanza 7-11-9-23	SW NE	11	9S	23E	UTU-74426	2060 FNL & 2134 FEL	43-047-36647
Bonanza 7-12-9-23	SW NE	12	9S	23E	UTU-74426	2065 FNL & 2159 FEL	43-047-36653
Bonanza 8-35	SENE	35	9S	24E	UTU-73459	1987' FNL & 909' FEL	43-047-36105
Bonanza 9-11-9-23	NE SE	11	9S	23E	UTU-74426	2008 FSL & 553 FEL	43-047-36648
Bonanza 9-12-9-23	NE SE	12	9S	23E	UTU-74426	1980 FSL & 660 FEL	43-047-36654
Bonanza 9-18-9-24	NE SE	18	9S	24E	UTU-73457	2009 FSL & 852 FEL	43-047-36636
Bonanza 9-22	NE/SE	22	9S	24E	UTU-75118	1,969' FSL & 495' FEL	43-047-36102
East Bench 9-20	NE/SE	20	11S	22E	UTU-73905	2,170' FSL & 472' FEL	43-047-36275
Rock House 12-30-10-23	NE SW	30	10S	23E	UTU-76281	2320 FSL & 1980 FWL	43-047-36548
Rock House 12-31-10-23	NW SW	31	10S	23E	UTU-76281	1900 FSL & 460 FWL	43-047-36552
Rock House 13-30-10-23	SW SW	30	10S	23E	UTU-76281	553 FSL & 573 FWL	43-047-36549
Rock House 14-31-10-23	SE SW	31	10S	23E	UTU-76281	860 FSL & 1890 FWL	43-047-36553
Rock House 3-31-10-23	NE NW	31	10S	23E	UTU-76281	854 FNL & 1940 FWL	43-047-36551
Rock House 5-30-10-23	SW NW	30	10S	23E	UTU-76281	1858 FNL & 703 FWL	43-047-36547
Rock House 5-31-10-23	SW NW	31	10S	23E	UTU-76281	2055 FNL & 2097 FWL	43-047-36550
Rock House 6-31-10-23	SE NW	31	10S	23E	UTU-76281	2059 FNL & 2111 FWL	43-047-36554
<del>Rockhouse #12-30</del>	<del>NW/SW</del>	<del>30</del>	<del>10S</del>	<del>23E</del>	<del>UTU-80571</del>	<del>1,980' FSL &amp; 660' FWL</del>	<del>43-047-36018</del> X
Rockhouse 13C-31	SW/SW	31	10S	23E	UTU-76281	135' FSL & 365' FWL	43-047-35911
Rockhouse 4D-30	NW NW	30	10S	23E	UTU-76281	1,116 FNL & 1,135' FWL	43-047-35882
Rockhouse 4D-31	NW NW	31	10S	23E	UTU-76281	990' FNL & 990' FWL	43-047-35807
Southman Canyon 12-3-11-24	NW/SW	3	11S	24E	UTU-73918	1,950' FSL & 514' FWL	43-047-36272
Southman Canyon 12-30-10-24	NW/SW	30	10S	24E	UTU-65371	2,118' FSL & 502' FWL	43-047-36238
Southman Canyon 13-30	SW/SW	30	9S	24E	UTU-80571	765' FSL & 303' FWL	43-047-36018
Southman Canyon 16-31-10-24	SE/SE	31	10S	24E	UTU-65371	621' FSL & 575' FEL	43-047-36270
Southman Canyon 4-30-10-24	NW/NW	30	10S	24E	UTU 65371	649' FNL & 607' FWL	43-047-36237
Southman Canyon 5-19-10-24	SW/NW	19	10S	24E	UTU-65371	1,978' FNL & 855' FWL	43-047-36236
Southman Canyon 6-30	SE/NW	30	9S	24E	UTU-80571	2,015' FNL & 2,581' FWL	43-047-36103

X Duplicate API -  
Different well name

## OPERATOR CHANGE WORKSHEET

## ROUTING

1. DJJ

2. CDW

**X Change of Operator (Well Sold)**

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

9/1/2005

<b>FROM: (Old Operator):</b> N2525-The Houston Exploration Company 1100 Louisiana, Suite 2000 Houston, TX 77002 Phone: 1-(713) 830-6938	<b>TO: (New Operator):</b> N2750-Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, CO 80202 Phone: 1-(303) 350-5102
---	---

CA No.

Unit:

## WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
SOUTHMAN CYN 10D-36	36	090S	230E	4304735363	14093	State	GW	P	
SOUTHMAN CYN 12D-36	36	090S	230E	4304735364	14063	State	GW	P	
SOUTHMAN CYN 2D-36	36	090S	230E	4304735365	14079	State	GW	S	
SOUTHMAN CYN 14C-36	36	090S	230E	4304735770	14320	State	GW	P	C
SOUTHMAN CYN 8C-36	36	090S	230E	4304735771	14292	State	GW	P	C
SOUTHMAN CYN 16C-36	36	090S	230E	4304735772	14265	State	GW	P	C
SOUTHMAN CYN 15-36-9-23	36	090S	230E	4304736529		State	GW	APD	C
SOUTHMAN CYN 3-36-9-23	36	090S	230E	4304736530		State	GW	APD	C
BONANZA 4D-16	16	090S	240E	4304735622	14319	State	GW	P	C
ROCK HOUSE 13-36	36	100S	220E	4304735902		State	GW	APD	
ROCK HOUSE 3-36-10-22	36	100S	220E	4304736407		State	GW	NEW	C
ROCK HOUSE 1-36-10-22	36	100S	220E	4304736408		State	GW	APD	C
ROCK HOUSE 7-36-10-22	36	100S	220E	4304736409		State	GW	NEW	C
ROCK HOUSE 13-32-10-23	32	100S	230E	4304736411		State	GW	APD	C
ROCK HOUSE 4-32-10-23	32	100S	230E	4304736412		State	GW	APD	C
EAST BENCH 3-16	16	110S	220E	4304736125		State	GW	NEW	
EAST BENCH 1-16	16	110S	220E	4304736126		State	GW	NEW	
EAST BENCH 7-16	16	110S	220E	4304736127		State	GW	NEW	
EAST BENCH 15-16	16	110S	220E	4304736128		State	GW	NEW	
ROCK HOUSE 16-2	02	110S	230E	4304736152		State	GW	APD	
HANGING ROCK 1-32	32	110S	230E	4304736309		State	GW	APD	
RAINBOW 2-16	16	110S	240E	4304736184	14657	State	GW	DRL	C

## OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/26/20052. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/26/20053. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 9/29/2005

4. Is the new operator registered in the State of Utah: YES Business Number: 5771233-0161

5. If NO, the operator was contacted on:

6a. (R649-9-2) Waste Management Plan has been received on:

Requested 9/29/05

6b. Inspections of LA PA state/fee well sites complete on:

n/a

6c. Reports current for Production/Disposition & Sundries on: 9/29/2005

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on:                      not yet

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on:                      n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on:                      n/a

**DATA ENTRY:**

1. Changes entered in the Oil and Gas Database on: 9/29/2005
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 9/29/2005
3. Bond information entered in RBDMS on: 9/30/2005
4. Fee/State wells attached to bond in RBDMS on: 9/30/2005
5. Injection Projects to new operator in RBDMS on:                      n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 9/26/2005

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number:                      UTB000173

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number:                      n/a

**FEE & STATE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number                      RLB0008031
2. The FORMER operator has requested a release of liability from their bond on:                      n/a  
The Division sent response by letter on:

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on:                      n/a

**COMMENTS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-47782

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

N/A

8. WELL NAME and NUMBER:

Southman Canyon #9-23-24-36

9. API NUMBER:

4304735770

10. FIELD AND POOL, OR WILDCAT:

Natural Buttes

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

Enduring Resources, LLC

3. ADDRESS OF OPERATOR:

475 17th Street, Ste 1500 CITY Denver

STATE CO ZIP 80202

PHONE NUMBER:

(303) 350-5114

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 648' FSL - 1,717' FWL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 36 9S 23E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start:  _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion:  11/16/2006	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input checked="" type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Rehab pit and reseeded.
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Have closed the pits and reseeded.

NAME (PLEASE PRINT) Alvin R. (Al) Arlian

TITLE Landman - Regulatory Specialist

SIGNATURE

DATE 11/16/2006

(This space for State use only)

RECEIVED  
NOV 20 2006